

4 FAH-2 H-830 USDO AND CASHIER FISCAL IRREGULARITIES

(TL:DOH-1; 06-13-2001)

4 FAH-2 H-831 INTRODUCTION

(TL:DOH-1; 06-13-2001)

This subchapter prescribes the guidance on how to determine what is a United States Disbursing Officer (USDO) or cashier fiscal irregularity, and how they should be reported and tracked until resolution and closure.

4 FAH-2 H-832 DESCRIPTIONS

(TL:DOH-1; 06-13-2001)

a. Fiscal irregularity—Any type of improper transaction or event having an effect on the USDO advance (including cashiers). A cashier out-of-balance condition, as defined above, becomes a fiscal irregularity when it is unexplained on the monthly Form DS-3058, Cashier's Reconciliation Statement, or has been explained on one month's Form DS-3058, but corrections were not made on the next Form DS-3058.

(1) Cashier fiscal irregularities could include:

(a) A cash shortage or overage of funds, or

(b) Illegal disbursements resulting from fraud, forgery, alteration of vouchers, or

(c) Physical loss or losses resulting from fraud or embezzlement by subordinate finance personnel.

(2) USDO fiscal irregularities could include:

(a) Checks paid when forged or fraudulent, or

(b) Incorrect or improper check or electronic funds transfer (EFT) payments made for which funds cannot be recovered, or

(c) Closures of USDO foreign banks with USDO account balances, or

(d) Frozen bank account balances, or

(e) Other anomalies in the USDO accounts that have not been corrected or recovered.

b. Cashier out-of-balance condition—A difference reported on the monthly Form DS-3058 cashier reconciliation statement.

(1) If the opening balance on line 2 on Form DS-3058 (Balance of ACDC.13 report for the overseas financial management system (OFMS) or FSC/p-364 report for Paris) does not match the balance in the automated clearing house (ACS) (or cashier's figure), or

(2) If lines 14 and 26, or 14 and 28 (ACS) do not match, or

(3) If the cashier supervisor has made more than 1 FSC adjustment in ACS to correct differences on line 2.

c. Unexplained out-of-balance condition—When there is no written explanation for the difference, or if the explanation does not identify the difference directly to a certain transaction (i.e.- post says it is researching the difference or that it "maybe" a duplicate entry).

d. Explained out-of-balance condition—When the difference is identified in writing on Form DS-3058 (ACS Discrepancies Justifications) as a data entry or other error related to a specific transaction that is being corrected (i.e. collection entered as \$5, actual collection document was \$500, or a debit voucher is reported outstanding at the FSC and is not listed on Form DS-3058 (or vice-versa).

4 FAH-2 H-833 REPORTING CASHIER OUT-OF-BALANCE CONDITIONS

(TL:DOH-1; 06-13-2001)

a. When an explained out-of-balance is reported on the monthly Form DS-3058 reconciliation report, the cashier monitor enters it into the OSCARS cashier database (cashier monitor checklist) and tracks this condition to make sure the corrections are made on the following monthly Form DS-3058. If they are not, the cashier monitor notifies the cashier's U.S. citizen supervisor that this is now considered 'unexplained' and must be reported as a fiscal irregularity to FMP/F/IFS in accordance with 4 FAH-3 H-397.3 or other agency (see cable).

NOTE: An overage of cash is considered a fiscal irregularity and must be reported. See 4 FAH-2 H-834 a(5) for reporting and processing of overages.

b. When an unexplained out-of-balance condition is reported on the monthly Form DS-3058 reconciliation, it must be reported as a fiscal irregularity in accordance with the procedures in 4 FAH-2 H-834. All unexplained out-of-balance conditions on Form DS-3058 must be entered into the OSCARS database program on the cashier monitor checklist and the fiscal irregularity form.

4 FAH-2 H-834 REPORTING OF FISCAL IRREGULARITIES

(TL:DOH-1; 06-13-2001)

a. For cashier fiscal irregularities:

(1) When it has been determined that there is a cashier fiscal irregularity, it must be reported in accordance with the following procedures

(a) For a State cashier, the fiscal irregularity must be reported to FMP/F/IFS, with info to the USDO, following procedures in this chapter and 4 FAH-3 H-397.3. FMP/F/IFS serves as the staff liaison to the State Committee of Inquiry into Fiscal Irregularities, so all correspondence concerning State fiscal irregularities should be sent to FMP/F/IFS.

(b) For cashiers of agencies other than State, the fiscal irregularity must be reported in accordance with the agency's own procedures. An info copy of the report should be sent to the USDO.

(2) Initial reports of fiscal irregularities should give all known facts available. If all facts are not available, the report should so indicate and state when a complete report will be available.

(3) If the fiscal irregularity is a cash loss, the USDO may temporarily increase the cashier advance during resolution, if cash is needed for daily cashier operations.

(4) If the fiscal irregularity is in local currency, a U.S. equivalent (USE) amount of the initial loss should be established, based on the exchange rate at the time of the loss. This USE amount will not change during the period in which the loss is being resolved, even if the exchange rate changes. Restitution of the loss, by repayment or charging of current year post funds, will be the USE amount established at the time of the loss. If partial repayments are made to the loss, the initial USE loss will be reduced. The initial amount of the loss in local currency (LCU) should also be reported, for information purposes only.

(5) An overage of cash must be reported as a fiscal irregularity, and excess funds collected to 19 1060, forfeitures of unclaimed money. For State cashiers, a copy of the general receipt must be sent to FMP/F/IFS to close the case.

b. For USDO fiscal irregularities:

(1) All USDO fiscal irregularities should be reported immediately upon discovery to the FSC director.

(2) All USDO fiscal irregularities that are not resolved within 24 hours of the initial discovery must be reported to FMP/F/IFS in accordance with 4 FAH-3 H-397.3 and entered into the OSCARS database, using the USDO Cashier Code 100. Upon receipt of the initial report, FMP/F/IFS will enter the fiscal irregularity into its database, and provide the USDO with an IFS fiscal irregularity case number.

4 FAH-2 H-835 RESOLVING FISCAL IRREGULARITIES

(TL:DOH-1; 06-13-2001)

a. State Cashiers—the Procedures for resolving State cashier fiscal irregularities differ depending on the amount of the fiscal irregularity:

(1) Fiscal irregularities under USD 500 are resolved at post.

(a) The cashier supervisor should prepare a report for the chief of mission (COM) at post to approve action for resolution of the irregularity, following procedures in 3 FAM 4190 and 4 FAH-3 H-397. A copy of the report should be sent to FMP/F/IFS, with info to the USDO.

(b) If the post cannot immediately resolve the irregularity, an initial report of the irregularity should be sent to FMP/F/IFS with info to the USDO. FMP/F/IFS will assign a case number and track the case as open while it is being resolved at post. When the irregularity is resolved, the final report must be submitted to FMP/F/IFS. If the irregularity is not resolved and closed within 60 days (including processing of vouchers), FMP/F/IFS will intervene to assure closure.

(2) If the fiscal irregularity is USD 500 or more, it must be resolved by the Committee Of Inquiry Into Fiscal Irregularities (3 FAM 4100), in accordance with 4 FAH-3 H-397.3. The initial report should be sent to FMP/F/IFS staff who will enter the fiscal irregularity into the database and provide the USDO and post with an IFS fiscal irregularity case number. The post and USDO will be notified of any committee decisions and case resolutions.

b. Cashiers of agencies other than State—fiscal irregularities of agencies other than State should be resolved in accordance with the agency's own procedures. Agencies should notify the post and the USDO when the case is resolved and provide appropriate fiscal data to close the case. The cashier monitors will track the fiscal irregularity as open until the USDO is notified by the agency that the case is closed, or when the case is transferred to the agency suspense account (see 4 FAH-2 H-838 b).

c. USDO fiscal irregularities:

(1) Fiscal irregularities under USD 500 are resolved at the FSC. The USDO should prepare a report for the FSC director to approve action for resolution of the irregularity, following procedures in 4 FAH-3 H-397 (the FSC director acts as the principal officer at a post). The USDO should track the fiscal irregularity in the OSCARS database until the irregularity is resolved and closed by the FSC director. The director must notify the USDO, with info to FMP/F/IFS when and how the fiscal irregularity is resolved. If the fiscal irregularity is not resolved and closed by the FSC director within 60 days, FMP/F/IFS will intervene to assure closure.

(2) If the fiscal irregularity is USD 500 or more, it must be resolved by the committee of inquiry into fiscal irregularities (3 FAM 4190), in accordance with 4 FAH-3 H-397. FMP/F/IFS serves as the staff liaison to the committee, so all correspondence concerning the case should be sent to FMP/F/IFS, with info to the USDO.

4 FAH-2 H-836 FRAUD OR MALFEASANCE

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Each agency's inspector general is responsible for conducting and directing all investigations of complaints, allegations, or other information relating to the possible existence of fraud or malfeasance throughout the Department and the Foreign Service. Consequently, when an initial inquiry discloses an indication of malfeasance or a violation of law(s) and/or regulations(s), as specified in 2 FAM 035, such inquiry is to be suspended and a report made expeditiously to the regional security office (RSO) who will, in turn, contact the agency's inspector general (OIG).

4 FAH-2 H-837 FINAL REPORTS ON INVESTIGATION OF ALL IRREGULARITIES

(TL:DOH-1; 06-13-2001)

Final reports should include the following information:

(1) A detailed statement of facts, including the name of accountable officer and the supervisor of the accountable officer, the type of irregularity, date, amount, and name and position of individuals involved;

(2) A citation of pertinent supporting documents, such as receipts, pay records, contracts, vouchers, etc.;

(3) A description of how the irregularity occurred and how it affected the accountable officer's account;

(4) Information on procedural deficiencies, if known, and the corrective action taken, or to be taken;

(5) A statement of the evidence as to whether or not the fiscal irregularity occurred by reason of willful intent to defraud the government or fault or negligence on the part of the accountable officer or supervisory personnel;

(6) Information as to the relief or restitution effected or contemplated from the responsible individual(s) if under USD 500, or the recommendation to seek relief or request restitution of USD 500 or more. For State cashiers or USDOs only.

4 FAH-2 H-838 TRANSFERRING FISCAL IRREGULARITIES FROM THE CASHIER TO THE USDO OR AGENCY ACCOUNTS

(TL:DOH-1; 06-13-2001)

a. For State Cashiers—If the Fiscal irregularity is not resolved within 60 days of the initial report, the USDO will transfer the fiscal irregularity from the cashier accountability to the USDO accountability, and report the irregularity on Line 5.1 of Form SF-1218, Statement of Accountability (Foreign Service Account). This includes unresolved fiscal irregularities under \$500. Post remains responsible for the irregularity until resolution and closure.

b. For cashiers of agencies other than state—if the agency has not provided fiscal data to clear the cashier fiscal irregularity (see 4 FAH-2 H-835 (6)) within 60 days, the USDO will transfer the fiscal irregularity from the cashier to the other agency's suspense account (F 3875) for resolution by the agency. The USDO will not report other agency fiscal irregularities on their Form SF-1218. The USDO must provide details to the agency by sending the post's report to the agency headquarters, and informing them that the irregularity will be transferred to their suspense account. If the USDO needs assistance in locating the agency headquarters, they should contact the FMP/F/IFS Interagency Liaison Office for information. Once the USDO has transferred the loss, they must inform the FMP/F/IFS Fiscal Irregularity staff that the irregularity has been transferred (and provide the voucher processed for the transfer). The fiscal irregularity will then be closed in FMP/F/IFS and USDO records.

c. For USDO Losses—if the fiscal irregularity is not resolved within 60 days of the initial report, the USDO must report the irregularity on line 6.3 of Form SF-1218, losses—relief not granted. This includes those losses under \$500.

4 FAH-2 H-839 REVIEW OF INTERNAL CONTROLS

(TL:DOH-1; 06-13-2001)

For all cashier fiscal irregularities, the USDO should:

(1) Contact the post's FMO or administrative officer to determine if internal controls need to be strengthened to prevent a reoccurrence of the event.

(2) Provide the assistance needed by the post to identify and strengthen internal controls or improve cashiering practices.

(3) Ensure that the proper FSC reviews were conducted (e.g. cashier monitors notified post of unusual transactions on Form DS-3058 unannounced verification documentation and that the cashier supervisor performed unannounced verifications).